

Exhibit E
Maintenance-of-Effort

This Exhibit assists Contractor and Department in assuring compliance with the maintenance-of-effort (MOE) requirement applicable to the Coverage Initiative Program.

1. Identify the total amount of non-federal funds expended for health care services during State Fiscal Year (SFY) 2006-07 that was not reimbursed by any other payor, using Medicare cost principles.

Total non-federal funds expenditures should include expenditures that:

- Provide health care services (such as hospital, clinic, physician, dental, or other such services) other than for individuals covered by Medicaid, Medicare, private insurance or other payor sources.
- Are from any payment source (e.g., county general purpose funds, state realignment funds, borrowed funds, and carryover funds from prior years).

Total non-federal funds expenditures should not include expenditures that are:

- Made from grants from a particular source which are specifically targeted for a particular purpose or program.
- For capital investments in health care facilities.
- For all public health functions.

The intent is to identify expenditures for health care services that are similar to those to be made as part of the Coverage Initiative Program.

Total non-federal funds expenditures for SFY 2006-2007
\$_____

* Contractor must provide a worksheet showing the budget or expenditure accounts and expenditure amounts used to determine the amount reported.

2. Identify any extraordinary and non-recurring expenditures incurred for health care services during SFY 2006-07.

The intent is to identify truly unusual expenditures for health care services that are not expected to be repeated. Examples include expenditures to respond to a health epidemic, or expenditures from substantial special funds. Contractor shall discuss with Department any expenditure identified under this section and Department will make the final determination whether the expenditure will be excluded from the baseline.

Total amount of extraordinary and non-recurring expenditures during SFY 2006-07:

\$ _____

*Contractor must provide a list of the extraordinary and non-recurring expenditures.

3. Baseline expenditures for health care services for SFY 2006-07 (Section 1. minus Section 2.):

\$ _____

4. Determine the portion of SFY 2006-07 expenditures reported in Section 3. for health care services provided to individuals who would have been eligible for the Coverage Initiative Program. (This step will not be necessary if costs related to ineligible groups were excluded in Section 1.)

Department does not specify any particular methodology for determining this amount. However, Contractor must provide documentation demonstrating the methodology used to arrive at this amount.

5. MOE requirement:

\$ _____

Contractor's MOE requirement will be reduced by the amount of any reduction in the State's level of contribution of realignment funds to the Contractor's health account for SFYs 2007-08, 2008-09, and 2009-10. However, Federal funding for the Coverage Initiative may be reduced as a result of a reduction in Contractor's MOE requirement.